

116TH CONGRESS
1ST SESSION

H. R. 3999

To amend the Internal Revenue Code of 1986 to allow for a credit against tax for placing in service qualified broadband property to expand the level of broadband service in a qualified rural census tract.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2019

Mr. BERGMAN (for himself, Mr. ABRAHAM, and Mr. GOSAR) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow for a credit against tax for placing in service qualified broadband property to expand the level of broadband service in a qualified rural census tract.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Broadband
5 Connectivity Act of 2019”.

6 **SEC. 2. RURAL BROADBAND TAX CREDIT.**

7 (a) IN GENERAL.—Subpart E of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after subsection 48C the
2 following new section:

3 **“SEC. 48D. RURAL BROADBAND CREDIT.**

4 “(a) IN GENERAL.—For the purposes of section 38,
5 the rural broadband credit for any taxable year is an
6 amount equal to 30 percent of the basis of qualified
7 broadband property placed in service by the taxpayer dur-
8 ing such taxable year.

9 “(b) CAP ON CREDIT AMOUNT.—

10 “(1) IN GENERAL.—The amount of the credit
11 allowable to a taxpayer under subsection (a) for any
12 property for a taxable year shall not exceed an
13 amount equal to the product of—

14 “(A) the value of the number of qualified
15 potential customers served by the qualifying
16 broadband project for which such property is
17 necessary, multiplied by

18 “(B) \$170.

19 “(2) QUALIFIED POTENTIAL CUSTOMER.—For
20 purposes of this section, the term ‘qualified potential
21 customer’ means, with respect to a taxpayer, an in-
22 dividual—

23 “(A) who resides in a qualified rural cen-
24 sus tract, and

1 “(B) whom such taxpayer demonstrates to
2 the satisfaction of the Secretary would upon re-
3 quest be provided broadband service by the tax-
4 payer for a customary charge for commencing
5 broadband service of no more than \$1,000.

6 “(c) QUALIFIED BROADBAND PROPERTY.—For the
7 purposes of this section—

8 “(1) IN GENERAL.—The term ‘qualified
9 broadband property’ means property necessary for a
10 qualifying broadband project.

11 “(2) QUALIFYING BROADBAND PROJECT.—The
12 term ‘qualifying broadband project’ means any
13 project designed to expand the number of individuals
14 with broadband service in a qualified rural census
15 tract.

16 “(3) BROADBAND SERVICE.—The term
17 ‘broadband service’ means broadband service (as de-
18 fined in section 601(b) of the Rural Electrification
19 Act of 1936) that meets the minimum acceptable
20 level for such service (as established by the Sec-
21 retary of Agriculture pursuant to section 601(e) of
22 the Rural Electrification Act of 1936).

23 “(4) QUALIFIED RURAL CENSUS TRACT.—The
24 term ‘qualified rural census tract’ means a census
25 tract designated not later than the last day of the

1 fourth month beginning after the date of the enact-
2 ment of this section by the Secretary (in consulta-
3 tion with the Chairman of the Federal Communica-
4 tions Commission, the Assistant Secretary of Com-
5 merce for Communications and Information who is
6 head of the National Telecommunications and Infor-
7 mation Administration, and the Secretary of Agri-
8 culture) as—

9 “(A) being rural,

10 “(B) having less than 50 percent of resi-
11 dents with access to broadband service, and

12 “(C) being underserved and not at risk of
13 experiencing duplicative service expansion or
14 overbuilding of existing broadband infrastruc-
15 ture.

16 “(d) CARRYOVER OF CERTAIN AMOUNTS.—If, for the
17 taxable year, the amount which (but for subsection (b))
18 would have been taken into account under subsection (a)
19 exceeds the limitation of subsection (b), then the amount
20 of such excess shall be taken into account under sub-
21 section (a) for the succeeding taxable year.

22 “(e) TERMINATION.—This section shall not apply to
23 property placed in service after the last day of the tenth
24 calendar year beginning after the date of the enactment
25 of this section.”.

1 (b) CONFORMING AMENDMENT.—Paragraph (6) of
2 section 46 of such Code is amended to read as follows:

3 “(6) the rural broadband credit.”.

4 (c) CLERICAL AMENDMENT.—The table of sections
5 for subpart E of part IV of subchapter A of chapter 1
6 of such Code is amended by adding at the end the fol-
7 lowing new item:

“Sec. 48D. Rural Broadband Credit.”.

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to property placed in service after
10 the last day of the fourth month beginning after the date
11 of the enactment of this Act.

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